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Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 09/03/2015 02:40 PM Pg: 1 of 12

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Assistant Corporation Counsel  
City of Chicago Department of Law  
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(Above Space for Recorder's Use Only)

## SUBSEQUENT HOMEOWNER DECLARATION AND FIRST AMENDMENT TO RESTRICTIVE COVENANT

THIS SUBSEQUENT HOMEOWNER DECLARATION AND FIRST AMENDMENT TO RESTRICTIVE COVENANT ("Declaration and First Amendment") is made as of August 10, 2015, by and between Joshua J. Blackburn and Karen Blackburn (together, the "Buyer"), and the Chicago Community Land Trust, an Illinois not-for profit corporation, its successors and assigns (the "CCLT").

### RECITALS

A. Buyer is on the date hereof purchasing the condominium unit legally described on Exhibit A attached hereto (the "Home") from Nadia Stewart and Daryl Stewart (together, the "Current Homeowner")

B. The Home is subject to that certain Affordable Housing Restrictive Covenant and Agreement dated as of August 26, 2008, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois, on September 5, 2008, as Document No. 0824933057 ("Restrictive Covenant"), designed to maintain the long-term affordability of the Home.

C. The Restrictive Covenant requires the owner of the Home to sell the Home to an income-eligible household (or the CCLT) at a below-market price if the owner wishes to move, and imposes certain other affordability covenants and restrictions.

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D. Buyer and the CCLT agree that the Current Fair Market Value (as defined in the Restrictive Covenant and as determined by that certain lender's appraisal dated March 21, 2015) of the Home is \$260,000.

E. Buyer and the CCLT agree that the new Contract Price of the Home is \$221,000. The Contract Price is the amount that appears on the HUD-1 Settlement Statement as the "contract sales price." The Contract Price is equal to the Maximum Resale Price as calculated in accordance with Section 10.10 of the Restrictive Covenant.

F. The IHDA Mortgage (as defined in the Restrictive Covenant) dated as of April 28, 2010, and recorded with the Office of the Recorder of Deeds of Cook County Illinois, on May 14, 2010, as Document No. 1013457041, is being assumed by the Buyer in connection with the sale of the Home to Buyer.

G. Buyer is receiving purchase price assistance from Neighborhood Lending Services, Inc. ("**NLS**") in the form of a 0% interest forgivable loan in the amount of \$5,000 (as further defined below, the "**Forgivable Loan**") and a 0% interest deferred forgivable loan in the amount of \$15,000 (as further defined below, the "**Deferred Forgivable Loan**" and, together with the Forgivable Loan, the "**NLS Subsidies**").

H. In order to finance the purchase of the Home, Buyer is on the date hereof obtaining a Senior Mortgage (as defined in the Restrictive Covenant) from NLS in the principal amount of \$150,807.

I. Buyer and the CCLT agree that the new Subsidized Purchase Price of the Home is \$161,000. The Subsidized Purchase Price represents the original principal balance of the Senior Mortgage (as defined in the Restrictive Covenant) plus the Homeowner's down payment.

J. Buyer and the CCLT agree that the Homeowner's Share of Market Value Appreciation (as defined in the Restrictive Covenant) is twenty percent (20%).

K. Buyer meets the income eligibility requirements set forth in the Restrictive Covenant, and the Subsidized Purchase Price satisfies the affordability requirements under the Restrictive Covenant.

**NOW, THEREFORE**, in consideration of the benefits accruing to Buyer as a result of its purchase of the Home for an amount less than its fair market value, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer hereby declares and covenants on behalf of himself/herself/theirselves (as applicable) and his/her/their (as applicable) heirs, successors, assigns, legal representatives and personal representatives, as follows:

1. Incorporation of Recitals; Defined Terms. The foregoing recitals constitute an integral part of this Declaration and First Amendment and are incorporated herein by this

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reference. Capitalized terms not otherwise defined herein shall have the same meanings given to said terms in the Restrictive Covenant.

2. Contract Price. The Buyer is on the date hereof purchasing the Home from the Current Owner for the below-market Contract Price of \$221,000, which is the Maximum Resale Price as calculated in accordance with Section 10.10 of the Restrictive Covenant.

3. Current Fair Market Value. The Current Fair Market Value of the Home is \$260,000.

4. Subsidized Purchase Price. The new Subsidized Purchase Price for this sale is \$161,000, which is the original principal balance of the Senior Mortgage plus the Homeowner's down payment. The Subsidized Purchase Price does not include the outstanding principal balance of the IHDA Loan (which Buyer is assuming), the NLS Subsidies, and other normal and customary out-of-pocket financing and closing costs.

5. Additional Definitions. In order to account for the Buyer's receipt of the NLS Subsidies and the terms governing such subsidies, the "Definitions" section is hereby amended by inserting the following new definitions:

"Deferred Forgivable Loan" means a loan from NLS in the original principal amount of \$15,000 to purchase the Home. The Deferred Forgivable Loan is subject to recapture by NLS if the Home is conveyed, sold, transferred, or refinanced, whether voluntary, involuntary or by operation of law, during the Deferred Forgivable Recapture Period. The recapture amount is an amount equal to the Deferred Forgivable Loan of \$15,000, reduced by  $1/120^{\text{th}}$  per month for the last 30 months of the Deferred Forgivable Recapture Period.

"Deferred Forgivable Mortgage" means a recorded mortgage securing the Deferred Forgivable Loan.

"Deferred Forgivable Recapture Period" means the period commencing on the closing date of the Deferred Forgivable Loan, and ending on the fifth (5<sup>th</sup>) anniversary of such closing date, unless earlier terminated by NLS.

"Forgivable Loan" means a loan from NLS in the original principal amount of \$5,000 to purchase the Home. The Forgivable Loan is subject to recapture by NLS if the Home is conveyed, sold, transferred, or refinanced, whether voluntary, involuntary or by operation of law, during the Forgivable Recapture Period. The recapture amount is an amount equal to the Forgivable Loan of \$5,000, reduced by  $1/48^{\text{th}}$  per month during the Forgivable Loan Recapture Period.

"Forgivable Loan Mortgage" means a recorded mortgage securing the Forgivable Loan.

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"Forgivable Recapture Period" means the period commencing on the closing date of the Forgivable Loan, and ending on the fourth (4<sup>th</sup>) anniversary of such closing date, unless earlier terminated by NLS.

"NLS Subsidies" means the Forgivable Loan and the Deferred Forgivable Loan.

6. **Order of Repayment in Event of Foreclosure.** In order to account for the Buyer's receipt of the NLS Subsidies, Section 8.4 is hereby amended by deleting the same in its entirety and substituting the following in lieu thereof:

8.4 **CCLT's Right to Proceeds in Excess of Maximum Resale Price.** The Homeowner agrees that any payment to the Homeowner in excess of the Maximum Resale Price in the event of foreclosure or sale in lieu of foreclosure would undermine the affordability goals of this Restrictive Covenant. Accordingly, in the event of foreclosure or sale in lieu of foreclosure, the CCLT shall calculate the Maximum Resale Price in accordance with Section 10.10 below and Senior Lender or IHDA shall apply the sale proceeds as follows:

- (a) first, to the Senior Lender, to pay all sums secured by the Senior Mortgage;
- (b) second, to IHDA, to pay all sums secured by the IHDA Mortgage, if any;
- (c) third, to NLS to recapture the NLS Subsidies;
- (d) fourth, to any junior lender approved pursuant to Section 8.1 above, in order of lien priority, to pay all sums owing to such approved junior lenders;
- (e) fifth, to the Condominium Association for the lien of any overdue condominium assessments;
- (f) sixth, to the Homeowner, to pay the difference between the Maximum Resale Price at the time of foreclosure or sale in lieu of foreclosure and the amounts owing under the foregoing subsections; and
- (g) seventh, the balance to the CCLT.

The Homeowner hereby irrevocably assigns to the CCLT the Homeowner's rights to any net proceeds of sale of the Home in excess of the Maximum Resale Price (after payment of all amounts under (a) through (f) above), and authorizes and instructs the Senior Lender, IHDA or any party conducting any sale to pay the amount of said excess proceeds directly to the CCLT. If, for any reason, such excess proceeds are paid to the Homeowner, the Homeowner hereby agrees to pay the amount of such excess proceeds

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to the CCLT within seven (7) days of receipt of such proceeds. The Homeowner's payment obligations set forth in this Article 8 shall survive the expiration or termination of this Restrictive Covenant.

7. Calculation of Maximum Resale Price. Step 3 of Section 10.10 is hereby amended as follows:

**Step 3: Calculate Base Price**

	Homeowner's Share of Market Value Appreciation
+	Portion of IHDA Loan (if any) Due Upon Resale
+	Portion of NLS Subsidies (if any) Due Upon Resale
-	<u>Subsidized Purchase Price</u>
=	Base Price

8. Buyer's Acknowledgment of Resale Restrictions. Buyer understands and agrees that the Restrictive Covenant is intended to expand access to homeownership opportunities for low- and moderate-income households and preserve the affordability of the Home for the Covenant Term (as defined in the Restrictive Covenant). Buyer has signed an Acknowledgment of Affordability Restrictions attached hereto as Exhibit B, confirming Buyer's review and understanding of the terms and conditions of the Restrictive Covenant.

9. Income Eligibility. Buyer represents and warrants to the CCLT that it is a Qualified Household (as defined in the Restrictive Covenant).

10. Conflict. In case of a conflict between the terms and conditions of the Restrictive Covenant and this Declaration and First Amendment, the terms and conditions of this Declaration and First Amendment shall govern and control.

11. Ratification and Binding Effect of Restrictive Covenant. Except as provided in this Declaration and First Amendment, Buyer agree(s) for himself/herself/theirselves (as applicable), and his/her/their (as applicable) heirs, successors, assigns, legal representatives and personal representatives, that the terms of the Restrictive Covenant are hereby ratified and confirmed and that the provisions contained therein are in full force and effect, as amended hereby, as of the date hereof. Buyer further agrees for himself/herself/theirselves (as applicable), and his/her/their (as applicable) heirs, successors, assigns, legal representatives and personal representatives, to be bound by the Restrictive Covenant, as amended hereby, and to undertake and perform all of the duties and obligations of the Homeowner thereunder.

12. Counterparts. This Declaration and First Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

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*(Signature Page Follows)*

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IN WITNESS WHEREOF, Buyer has executed this Declaration as of the date first written above.

**BUYER(S):**

Joshua Blackburn  
Joshua Blackburn  
Karen Blackburn  
Karen Blackburn

**Chicago Community Land Trust**, an Illinois not-for-profit Corporation

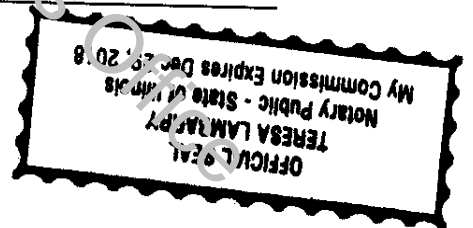
By: Bruce Gottschall  
Bruce Gottschall  
President

STATE OF ILLINOIS )  
COUNTY OF COOK )

I, Teresa Lambarry, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Joshua Blackburn, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that she/he signed and delivered the foregoing instrument as her/his free and voluntary act for the uses and purposes therein set forth.

GIVEN under my notarial seal this 10th day of August, 2015.

Teresa Lambarry  
Notary Public

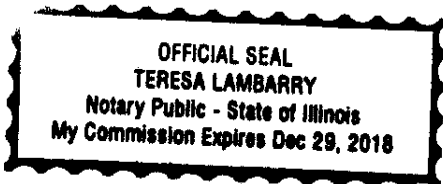


STATE OF ILLINOIS )  
COUNTY OF COOK )

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Karen Blackburn, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that she/he signed and delivered the foregoing instrument as her/his free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 10th day of August, 2015.

Teresa Lambarry  
Notary Public









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## EXHIBIT A

### LEGAL DESCRIPTION OF PROPERTY

UNIT F IN THE KEDZIE TOWNHOMES, A CONDOMINIUM, AS DELINEATED ON THE FOLLOWING DESCRIBED TRACTS OF LAND:

PARCEL 1:

LOTS 1 AND 2 IN SUBDIVISION OF THAT PART SOUTH OF THE RAILROAD RIGHT OF WAY OF LOTS 1 AND ALL OF LOTS 2, 3, 5, 6, 7, AND 8 OF BLOCK 13 OF E. SIMON'S SUBDIVISION OF THE SOUTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY ILLINOIS, AND

PARCEL 2:

ALL THAT PORTION OF THE SOUTH 28.0 FEET OF THE NORTH 50.0 FEET OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN WHICH IS NOT AT PRESENT DEDICATED A PUBLIC STREET LYING BETWEEN THE NORTHERLY EXTENSIONS OF THE WEST AND EAST LINE OF LOT 1 IN BLOCK 143 IN E. SIMON'S SUBDIVISION OF THE SOUTHEAST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT "B" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 0536319064, AS AMENDED FROM TIME TO TIME; TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

ADDRESS: 1756 NORTH KEDZIE, UNIT F  
CHICAGO, ILLINOIS 60647

PIN: 13-35-417-078-1006

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## EXHIBIT B

### HOMEOWNER'S ACKNOWLEDGMENT OF AFFORDABILITY RESTRICTIONS

**TO:** Chicago Community Land Trust ("CCLT")

**DATE:** August 10, 2015

I am giving this letter to the CCLT to be made an exhibit to a Subsequent Homeowner Declaration and First Amendment to Restrictive Covenant ("Declaration and First Amendment"). I am buying the condominium unit located at 1756 N. Kedzie, Unit F, Chicago, which will be subject to an Affordable Housing Restrictive Covenant and Agreement, as amended by the Declaration and First Amendment (as amended, the "Restrictive Covenant").

I understand how the terms and conditions of the Restrictive Covenant affect my rights as a homeowner, now and in the future. In particular, I understand and agree that:

- Permanent Affordability. The purpose of the Restrictive Covenant is to keep housing affordable for future generations of low- and moderate-income households. I support this goal.
- Resale Restrictions. The CCLT controls the resale of my home. If I want to sell my home, I must sell it to another income-eligible buyer (or to the CCLT) for a restricted resale price determined in accordance with the resale formula in the Restrictive Covenant. If I violate the resale restrictions, the Restrictive Covenant gives the CCLT the right, among other remedies, to sue for damages or terminate the Restrictive Covenant and recover any sale proceeds. I realize this limits my ability to resell my home (a "restraint on alienation"), but I agree that this limitation is reasonable under the circumstances set forth in the Restrictive Covenant.
- Refinancing Restrictions. The Restrictive Covenant may keep me from obtaining a home equity loan, debt consolidation loan, car loan or a similar loan that would use the home as collateral. I acknowledge that this constitutes a restraint on alienation, but likewise agree that it is a reasonable restraint under the circumstances of the Restrictive Covenant.
- Principal Residence. I must occupy and use my home as a principal residence. I cannot lease it, and if I move out, I must sell it. I cannot continue to own the home as an absentee owner.
- Heirs. I can leave my home to certain members of my household and, after my death, they can own the home for as long as they want to live in it and comply with the Restrictive Covenant, including, without limitation, the Affordability Restrictions expressed in the Restrictive Covenant, or they can sell it on the terms permitted by the Restrictive Covenant.

*(Signature Page Follows)*

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I will honor the terms of the Restrictive Covenant. I consider these terms fair to me and others.

By: Joshua Blackburn  
Joshua Blackburn

By: KBlackburn  
Karen Blackburn

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## STATEMENT OF LEGAL REPRESENTATION

TO: Chicago Community Land Trust ("CCLT")

DATE: August 10, 2015

I am buying the condominium unit located at 1756 N. Kedzie, Unit F, Chicago, Illinois 60647, which will be subject to an Affordable Housing Restrictive Covenant and Agreement (as amended, the "Restrictive Covenant") between the CCLT and me.

My lawyer, David Nelson, has explained to me the terms and conditions of the Restrictive Covenant. I understand how these terms and conditions affect my rights as a homeowner, now and in the future.

By: Joshua Blackburn  
Joshua Blackburn

By: Karen Blackburn  
Karen Blackburn